

1 E. MARTIN ESTRADA  
United States Attorney  
2 MACK E. JENKINS  
Assistant United States Attorney  
3 Chief, Criminal Division  
VALERIE MAKAREWICZ (Cal. Bar No. 229637)  
4 Assistant United States Attorney  
Major Frauds Section  
5 1100 United States Courthouse  
312 North Spring Street  
6 Los Angeles, California 90012  
Telephone: (213) 894-0756  
7 Facsimile: (213) 894-6269  
E-mail: Valerie.Makarewicz@usdoj.gov

8 AMANDA LISKAMM  
9 Director, Consumer Protection Branch  
MANU J. SEBASTIAN  
10 BRIANNA M. GARDNER  
Trial Attorneys  
11 Consumer Protection Branch  
U.S. Department of Justice  
12 450 Fifth Street NW, Suite 6400  
Washington, DC 20001  
13 Telephone: (202) 514-0515  
Facsimile: (202) 514-8742  
14 E-mail: Manu.J.Sebastian@usdoj.gov

15 Attorneys for Plaintiff  
16 UNITED STATES OF AMERICA

17 UNITED STATES DISTRICT COURT

18 FOR THE CENTRAL DISTRICT OF CALIFORNIA

19 UNITED STATES OF AMERICA,  
20 Plaintiff,  
21 v.  
22 JASON EDWARD THOMAS CARDIFF,  
23 Defendant.

No. 23-CR-00021-JGB

GOVERNMENT'S MEMORANDUM OF POINTS  
AND AUTHORITIES IN SUPPORT OF  
REQUEST FOR PRETRIAL DETENTION;  
EXHIBITS

24  
25 Plaintiff United States of America, by and through undersigned  
26 counsel, submits this brief in support of its notice of request for  
27 detention of the defendant, Jason Edward Thomas Cardiff, pending  
28 trial pursuant to 18 U.S.C. § 3142(e).

1 Dated: November 29, 2023

Respectfully submitted,

2 E. MARTIN ESTRADA  
United States Attorney

3 AMANDA LISKAMM  
4 Director, Consumer Protection Branch

5 /s/

6 MANU J. SEBASTIAN  
BRIANNA M. GARDNER  
7 VALERIE L. MAKAREWICZ  
Trial Attorneys/Assistant United  
8 States Attorney

9 Attorneys for Plaintiff  
UNITED STATES OF AMERICA

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 The government respectfully requests that the Court order  
4 defendant Jason Edward Thomas Cardiff ("defendant") detained pending  
5 trial in these matters.

6 Redwood Scientific Technologies, Inc. ("Redwood") is a Delaware  
7 corporation with its corporate headquarters located in Upland,  
8 California. Redwood sold various products to consumers, including  
9 thin film strips marketed as homeopathic remedies causing weight  
10 loss, male sexual enhancement, and smoking cessation. Defendant  
11 served as Redwood's Chairman of the Board of Directors, Chief  
12 Executive Officer, and President.

13 As alleged in the Indictment, during approximately January 2018  
14 through May 2018, the defendant ordered his employees to participate  
15 in a scheme that defrauded consumers out of hundreds of thousands of  
16 dollars. Specifically, the defendant engaged in a scheme to charge  
17 prior one-time single-purchase customers and place them on periodic  
18 continuity sales plans without their authorization or consent.  
19 During this scheme to defraud, the defendant also ordered the  
20 deletion and destruction of documents that Redwood had been ordered  
21 to produce as a part of a Federal Trade Commission ("FTC")  
22 investigation.

23 The FTC investigation uncovered numerous consumer complaints  
24 related to Redwood's sales practices and led to a civil enforcement  
25 suit in this district in *FTC v. Cardiff, et al.*, Case No. 5:18-cv-  
26 02104-DMG-PLA.<sup>1</sup> In March 2022, the Court issued a permanent  
27

---

28 <sup>1</sup> The case was originally assigned to Hon. James V. Otero, and  
then re-assigned to Hon. Dolly M. Gee.

1 injunction against Redwood after finding that the FTC prevailed on  
2 all 16 counts in its complaint against defendant, his wife, and  
3 Redwood. [Dkt. 706].

4 Shortly after the FTC litigation ended in early 2022, the  
5 defendant sold his residence in the United States and moved to  
6 Ireland, where he maintains dual citizenship. His wife and daughter  
7 moved with him and are currently residing in Ireland.

8 On January 31, 2023, a federal grand jury returned an Indictment  
9 against the defendant that charged him with one count of access  
10 device fraud, in violation of 18 U.S.C. § 1029(a)(5), one count of  
11 aggravated identity theft, in violation of 18 U.S.C. § 1028A(a)(1),  
12 and two counts of witness tampering, in violation of 18 U.S.C. §  
13 1512(b)(2)(B). [Dkt. #1]. The Court issued an arrest warrant for the  
14 defendant the same day.

15 On November 26, 2023, U.S. Customs and Border Protection  
16 officers arrested defendant at LAX Airport after defendant returned  
17 to the United States from Ireland, via London, United Kingdom.  
18 Defendant made his initial appearance on November 27, 2023. [Dkt.  
19 #7].

20 As discussed more fully below, the defendant poses a substantial  
21 risk of flight and a danger to the community, and the government  
22 argues there are no release conditions that can reasonably ensure his  
23 appearance on the charges in this case.

## 24 **II. LEGAL STANDARD & ARGUMENT**

25 The Bail Reform Act of 1984 permits pretrial detention of a  
26 defendant without bail where "no condition or combination of  
27 conditions will reasonably assure the appearance of the person as  
28 required and the safety of any other person and the community." 18

1 U.S.C. § 3142(e). Detention is appropriate where a defendant is  
2 either a danger to the community or a flight risk; it is not  
3 necessary to prove both. *United States v. Motamedi*, 767 F.2d 1403,  
4 1406 (9th Cir. 1985). A finding that a defendant is a flight risk  
5 need only be supported by a preponderance of the evidence. *Id.* A  
6 finding that a defendant is a danger to the community must be  
7 supported by clear and convincing evidence. 18 U.S.C. §3142(f).

8 Danger to the community may include "pecuniary or economic  
9 harm." *United States v. Reynolds*, 956 F.2d 192 (9th Cir. 1992). To  
10 determine whether conditions can reasonably assure defendant's  
11 appearance and the safety of the community, the Court considers: (1)  
12 the nature and circumstances of the offenses; (2) the weight of the  
13 evidence against the person; (3) the history and characteristics of  
14 the person; and (4) the nature and seriousness of the danger to any  
15 person or the community that would be posed by the person's release.  
16 18 U.S.C. § 3142(g). With the defendant, these factors support  
17 findings by the Court that no condition or combination of conditions  
18 will reasonably assure the appearance of the defendant as required or  
19 the safety of the community.

20 The government proffers the following evidence in support of its  
21 request for detention and if needed, will call United States Postal  
22 Inspection Service Inspector Christine Reins-Jardin to testify.

23 **A. The Offenses and Evidence Against Defendant**

24 The nature and circumstances of the offenses in this case are  
25 serious. In counts 1 and 2, the defendant caused hundreds of  
26 thousands of dollars in losses to thousands of victims across the  
27 United States over a period of just a few months. When defendant  
28 found his company under investigation, defendant then caused it to

1 fail to comply with a civil investigative demand issued by the FTC,  
2 requiring Hon. James S. Otero to hold contempt proceedings in July  
3 and August 2019. *FTC v. Jason Cardiff, et al.*, No. 5:18-cv-2104-DMG,  
4 Docket Nos. 181, 182, 183, 212. Not to be deterred by the Court's  
5 orders in the civil case, and rather than produce documents to the  
6 FTC, defendant instructed at least two employees to destroy them,  
7 which serves as the basis for counts 3 and 4 of the Indictment.

8       Additionally, the weight of the government's evidence against  
9 the defendant is strong, including inculpatory emails written by the  
10 defendant and his employees in perpetrating this scheme to defraud  
11 former customers, financial data from Redwood's payment processors  
12 and customer relationship management system, and statements from  
13 former employees regarding the defendant's orders to destroy relevant  
14 documents.

15       Finally, the government's evidence against defendant has already  
16 been tested and found to be persuasive within the civil matter, as  
17 seen with the Court's ultimate findings against defendant. On March  
18 1, 2022, the Court granted summary judgement in favor of the FTC when  
19 the Court found defendant violated sixteen counts of the FTC Act,  
20 which included counts related to the charged conduct. See Exhibits A  
21 and B, attached herein. Among a plethora of other deceptive conduct,  
22 the Court found that defendant had violated the FTC Act "by causing  
23 charges to be submitted for payment to consumers' credit and debit  
24 cards without the express informed consent of those consumers."  
25 Exhibit B, at 4:6-9. Thus, an independent factfinder has already  
26 assessed the evidence—albeit at a lower civil standard—and found it  
27 persuasive.

1           **B. Defendant's History & Characteristics**

2           Defendant has a proven history of deception and dishonesty in  
3 the representations he made to the Court and shown that he cannot  
4 follow court orders. Specifically, Judge Otero found that defendant  
5 obtained a second Irish passport after the Court had seized his first  
6 one during the FTC litigation. See Exhibit C, 389:7-14. There, the  
7 Court ordered defendant held overnight while the second passport was  
8 located and secured. *Id.* at 341:1-7. Separately, the Court found that  
9 the defendant continuously lied to the court-appointed receiver about  
10 his assets and concealed his income and assets from the court. *Id.* at  
11 391:2-6. During a contempt hearing on July 31, 2019, the Court  
12 stated, "I would say of the 16 years I've been on the federal court,  
13 I've never presided over a matter where the fraud committed by the  
14 defendants was so clear, the deception so extreme. I'm astounded."  
15 *Id.* at 389:3-6.

16           In addition, the Court stated, "I've heard carefully from the  
17 Cardiffs. Their stories are totally unbelievable. It's pretty clear  
18 to the Court that they've lied, that they worked in concert with each  
19 other and with others to avoid, violate the conditions of the orders  
20 of the Court." *Id.* at 390:3-7.

21           Given the defendant's history and complete disregard for prior  
22 orders issued by the Court, the defendant is unlikely to adhere to  
23 conditions imposed by this Court if released.

24           **C. Defendant's Risk of Flight**

25           The defendant poses a significant risk of flight for multiple  
26 reasons.

27           First, the defendant's current ties to the United States are  
28 tenuous at best. The defendant has no residence within the United

1 States. As mentioned above, shortly after the conclusion of the FTC  
2 civil matter, the defendant sold his home in California and moved to  
3 Ireland with his wife and daughter, where all currently reside. The  
4 defendant has not returned to the United States since he left in  
5 early 2022 and maintains dual U.S. and Irish citizenship. Also as  
6 discussed above, the Court found that the defendant tried to flee and  
7 held the defendant in contempt for obtaining a second Irish passport  
8 after the Court had seized his first. Specifically, Judge Otero  
9 stated, "Let's get the marshals up. The Court has significant concern  
10 that Mr. Cardiff is attempting to flee the jurisdiction of the Court.  
11 He'll be placed in custody." See Exhibit C, 154:9-12.

12 Second, the defendant allegedly possesses significant assets and  
13 likely has the means to flee from prosecution. The defendant  
14 routinely flaunts wealth by posting pictures and making statements  
15 about it on social media. See Exhibit D. Unexplained is why defendant  
16 has not offered any collateral as bond for himself.

17 In contrast, defendant's company, Redwood, recently filed a  
18 Registration Statement with the Securities and Exchange Commission,  
19 wherein it stated that its "operations have been largely funded by  
20 [defendant](our CEO and majority stockholder) and his affiliates,  
21 which funding is treated as contributions to capital." See Exhibit E.  
22 Defendant signed the statement. Redwood also

23 requires approximately \$350,000 per month on an annualized  
24 basis for operating expenses to fund the costs associated  
25 with our financing activities, legal and accounting  
26 expenses, other general and administrative expenses,  
27 research and development, regulatory compliance, product  
28 development and maintenance, third party manufacturing  
fees, and compensation of executive management and our  
employees. Based on our current cash position, without  
additional financing we may not be able to pay our  
obligations past the fourth quarter of fiscal 2023.



1 Redwood also noted in the Registration Statement the following:

2 As described in the report of our auditors for the years  
3 ended December 31, 2022 and 2021 and the notes to our  
4 financial statements, there is substantial doubt about our  
5 ability to continue as a going concern, and if we are  
6 unable to continue, you may lose your entire investment.

7 The uncertainty about our ability to continue in operation  
8 is based on our continuing losses from operation, limited  
9 revenue and limited working capital, among other things  
10 which existed as of year-end December 31, 2022 and December  
11 31, 2021. As of December 31, 2022, we had a cash balance of  
12 \$0, working capital of \$0 and an accumulated deficit of  
13 \$5,275,421.

14 Redwood also stated that year end operating expenses for 2022  
15 totaled \$143,713, which is also the company's net loss. For 2021,  
16 Redwood noted that it was under receivership (in conjunction with the  
17 FTC litigation), and did not have any revenue or expenses, but did  
18 have a deficit of over \$5 million. No compensation was paid to  
19 defendant in 2021 and 2022. However, according to defendant, Redwood  
20 has commenced clinical trials of its products in Chicago, Illinois  
21 and approximate the cost as \$1.25 million, the source of which is  
22 unknown. As such, there is substantial doubt that defendant is  
23 generating any income from his job as CEO, yet broadcasting on social  
24 media that he is wealthy and successful. Defendant cannot have it  
25 both ways. Even if the Court were to grant defendant bond, defendant  
26 is required to maintain active employment.

27 Third, the defendant left the United States and resided in  
28 Ireland in an attempt to avoid arrest on criminal charges. On  
November 26, 2023, USPIIS Postal Inspectors went to LAX to arrest  
defendant after he was detained by United States Custom and Border  
Protection agents pursuant to the instant arrest warrant. After  
being advised of his *Miranda* rights and the charges against him, the  
defendant told arresting agents that the FTC shut down his business

1 in 2018, so the five year statute of limitations would have passed  
2 for any charges. Defendant stated that he won a hearing against the  
3 FTC, so he was now being charged criminally because the FTC is mad  
4 about losing.

5 Further, defendant's latest trip to the United States was likely  
6 planned to be a short one. He was arrested with \$7,000 in cash on  
7 hand and with two carry-ons of luggage. He told the arresting agents  
8 that he was in Los Angeles to visit his 96-year-old father, who is  
9 ill. The arresting agents also asked him if anyone in Los Angeles  
10 was expecting him so they could contact them on his behalf and  
11 defendant stated there was not. These facts, taken together, further  
12 strengthen that defendant 1) has no ties to this district; and 2) was  
13 returning to the United States for a brief visit with his ill elderly  
14 father and return to Ireland.

15 Fourth, the defendant faces a significant prison sentence if  
16 convicted - including a two-year mandatory minimum for the aggravated  
17 identity theft charge. The Ninth Circuit permits the district court,  
18 in assessing the risk that a defendant will fail to appear, to  
19 consider possible punishment as an incentive for a defendant to flee.  
20 *United States v. Townsend*, 897 F.2d 989, 995 (9th Cir. 1990). Here,  
21 the potential punishment defendant faces on these charges creates a  
22 strong incentive to flee, particularly for a person who has not  
23 previously served any significant time in prison.

24 The defendant has little connecting him to the district and  
25 every reason to flee the country, especially with his wife and child  
26 located overseas and looking at a potentially long sentence, if  
27 convicted. His conduct in his FTC litigation demonstrated a  
28 successive disregard for court orders. Accordingly, the government

1 submits that a preponderance of the evidence shows that defendant  
2 should be detained as a flight risk.

3 **D. Defendant's Danger to the Community**

4 The defendant also poses a danger to the community which cannot  
5 be mitigated by any conditions which the Court could impose. As  
6 noted, the defendant has repeatedly demonstrated a complete disregard  
7 of the law. As the Indictment alleges, the defendant is charged with  
8 two counts of witness tampering wherein he directed two former  
9 employees to destroy documents relevant to the FTC's Civil  
10 Investigative Demand in the civil matter. The government has string  
11 and legitimate concerns that if the defendant were released, he would  
12 contact witnesses who are the subject of the tampering charges now  
13 that he is aware that he is indicted.

14 **III. CONCLUSION**

15 For the foregoing reasons, the United States respectfully  
16 requests that the Court order the defendant be detained pending  
17 trial. There is no condition or combination of conditions of release  
18 that will assure that defendant will not flee or pose a danger to the  
19 safety of any other person or the community. Simply, defendant is  
20 unlikely to abide by any condition or combination of conditions of  
21 his release.